



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Sara L. Hensley

**SUBJECT: PARK MAINTENANCE
PARTNERSHIPS**

DATE: 05-03-05

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| Approved | /s/ | Date | 05/23/05 |
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REASON FOR MANAGER'S BUDGET ADDENDUM

The purpose of this MBA is to provide follow-up information on Parks Maintenance Partnerships as directed in the Mayor's March 16, 2005 Budget Message.

BACKGROUND

“Parks Maintenance Partnerships: Last year, the City Council directed the Manager to explore opportunities with businesses looking to commercialize small portions of open space within the City. Ideally, these partnerships can produce businesses in city parks that offer services/goods to neighborhood residents while at the same time maintaining the parkland that they occupy. During the budget process, the Manager shall report back on this effort. (Page 6 item a)”

Examples of successful vendor arrangements, on a small scale, include those that have provided food and beverage services at large special events typically held in downtown venue parks such as Plaza de Cesar Chavez and Discovery Meadow of the Guadalupe River Park. These vendors provide a much-needed service, and contribute to the local economy and vibrancy. In large measure, the relationship works well in this example because there is a lot of foot traffic and the event guarantees customers.

There is no formal organized vendor program that exists in neighborhood parks because there is insufficient numbers of park users, on a daily basis, that could sustain a vendor. There has not been any interest expressed to the Department from vendors that they would desire placement in our neighborhood parks.

In the regional park system, Raging Waters is an example of a commercial recreational private entity that has entered into a long-term agreement with the City to provide a

defined program and services. The City receives an annual rent payment from Raging Waters and its management is responsible for facility upkeep, improvements and repair.

ANALYSIS

Staff has not pursued, to date, non-recreational commercial uses of parkland, although there has been one to two proposals that come to the Department's attention every so often. The largest single reason for not pursuing such opportunities has been the City Charter limitation of three years for any concession or lease or similar arrangement related to parkland (Section 1700). A vote of the people would be required to amend the Charter restriction to allow a term of greater than three years. The charter provision's purpose is to keep parkland available for use by the public except as specifically authorized by the voters. In fact, the City has received voter approval to enter into agreements longer than three years in several parks. The voters authorized the City to enter into long-term agreements for the development of parks and recreational facilities in Lake Cunningham Park, among a few other parks, which is why the City is able to enter into a long-term agreement for Raging Waters. The limitation has prohibited commercial entities from entering into any agreement with the City because they believe that the term is too short for them to re-coup any expenses and have a viable profit margin.

The other major concern, is the removal of public-serving parkland(s) from use for commercial (for profit) non-recreational uses. The business arrangement would have to be very favorable to the City and the Department in order to consider and recommend such a deal for City Council consideration. As the Mayor suggests in his budget message, one of the benefits could be the provision of park maintenance services in exchange.

To that end, the Department will include further analysis of this potential opportunity as part of its work as the pilot department in the City's corporate sponsorship initiative. The Department can report out at mid-year on our progress.

/s/

SARA L. HENSLEY
Director of Parks, Recreation
and Neighborhood Services